

Moving FORWARD

With more than 100 years of experience and 300 offices worldwide, Damco is a logistics giant that is looking for growth in the Australian region.

Images by Paolo Benini

A global player in the logistics industry, Damco employs more than 11,000 people worldwide as a global freight and logistics provider. Initially established in the Netherlands in 1905 as a freight forwarding company, Damco was soon opening offices all over Europe and the world. CEO for Australia and New Zealand Lars Sorensen spoke to *The CEO Magazine* about expanding its Australian operations and the future of the logistics industry.

The CEO Magazine: How has your time as CEO of the South Asian region prepared you for your current role with Damco?

Lars: I've worked for most of my career in different positions within the A.P. Møller group of companies, but by far most of my time has been with Damco. It feels a bit like home, actually. I believe one of my strengths is to spend time to

gather local knowledge and get a feel for local trends in the industries in which we are operating. I think that is one thing that always resonates with customers, especially within the retail industry, and something worth spending time over. The base is mostly the same, but always tweaked to suit a local market, and even a specific industry within a local market.

Before coming to Australia, I was in Mumbai for 11 years as CEO of the South Asia region, and before that in Hong Kong for a couple of years. We were dealing with a lot of European and American retailers both in South Asia and Hong Kong, and I got a good view of the market and how the entire industry developed over a period of time before delivering services expected by our customers there.

Specific to Australia, I think the market here too has a significant

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presence of retail. I've spent time studying trends within the Australian market. I believe I'm beginning to get a good idea of how things work here. That's always the starting point for me. Once I have that in place, then I can share best practices and learnings from my experiences in South Asia and Hong Kong.

Doing business in Australia, as with any country, is different from other countries in the world. I think I have the right background to get Australia on the map within our global Damco network. I'm optimistic, aggressively hopeful, and excited with my new role here.

In your time as CEO in Australia, what are some of the strategies and plans that you have implemented to ensure the future success of Damco?

I always put the customer first. That's always been my first and foremost rule in every role I've handled within



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Damco. So, when I came to Australia, I spent most of the first three to four months really just meeting with and speaking to as many of our customers as possible. This helped me understand how our customers see the market now and in the coming years, what their current and future plans are, and, most importantly, what they would need from their current or future logistics provider to enable these plans. It also gave me an understanding of the trends within each industry being projected—something that's always helpful. These meetings also helped me see how our customers viewed our company, where we could improve, and where we could add value for them.

Our business is really about very few things—it's about our customers and it's about our people. During

my first few months here, I spent a lot of time understanding both. After that, our leadership team made a priority list. I'm a believer in a few, carefully chosen, high-level priorities that give direction and focus to the organisation. It's always hard to narrow down to a few priorities, but once you have those down, it's far easier to plan, to direct, and to execute 100 per cent. Our team started out with five priorities that we are pushing hard to execute, and we have been doing this over the past four to six months.

What are the greatest challenges that you have faced and had to overcome in your role?

We had the pleasure of acquiring an Australian company in October 2012, and over the past couple of years we have been working on integrating our two companies—customers, systems, and of course people. I can proudly say that every employee here has been working really hard on this.

One of the things I realised after starting here was that we really had not embedded the Damco culture into our organisation to the degree that we should have. We had people from our acquired company, people already in Damco, and then new people joining us from outside industries, all trying to find ways to fit in.

What is extremely important to me is to really build a new, joint culture. I want everybody to know what our Damco culture is and how they are valued as part of a team. We have been working on this and we are still working on this. It's not something that you can change overnight, but this really is one of my highest priorities currently.

What are some of those key values that you are trying to instil in staff?

As a group globally, we have strong values that we continuously invest in. Constant care, humbleness,



*"Cargo Freight Services formed a successful partnership with Damco over the past four years. Our services to Damco include wharf cartage, bond cargo movement, and quarantine cargo. We are a vital cog in their logistics chain that, to date, has been extremely prosperous for both parties."
- Glenn Dawson and Justin Docherty, Directors, Cargo Freight Services*



Cargo Freight Services Melbourne P/L

Cargo Freight Services Melbourne P/L is a privately owned Australian company. The growth and success of the company from its foundation seven years ago is a result of constant assessment and response to our customers' needs, combined with a keen awareness of new trends and service challenges that face the industry today.

Cargo Freight Services Melbourne P/L operates its own storage, distribution and transport service that allows it to provide a range of freight management services through one direct contact. We offer a logistics network that provides fully integrated distribution solutions to companies of all sizes.

Cargo Freight Services Melbourne P/L continues to expand principally as a result of dedicated, experienced, and customer-motivated staff.



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"We look for long-term relationships with partners or suppliers that can deliver, are consistent, dependable, visible, proactive, and have a continuous hunger to improve all the time."

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uprightness, our employees, our name; these are our five core values. And these are the values we would like to instil in our staff and our team here in Australia.

What would you say gives Damco its competitive edge or unique point of difference in the market?

We are definitely one of the strongest players when it comes to inbound flows from China and Asia to Australia. I think we have a unique, stable, robust product that goes from end to end. We take care of the merchandise from the point of manufacture in China, for example, right to when it's on the shelf in Melbourne where the consumer goes to buy it—a truly end-to-end service.

We work to create a solution that fits completely with customers' needs and requirements. We don't try to put customers into boxes with a one-size-fits-all kind of service, but we cater to an individual-needs solution. This makes our customers more competitive in the markets in which they operate, and helps

them provide a world-class and competitively priced product to their customers—the ultimate consumer, you and I, so to speak. It's a value-driven process in its entirety, and a very satisfying industry to be in.

How does Damco work with partners or suppliers to achieve success, and what values are those relationships based on?

Our customers look for consistency and stability in their logistics supply chain. That's the basic need to be fulfilled. We therefore find strong partners we can work with long term that are able to match our ambitions and our promises to our customers. We look for long-term relationships with partners or suppliers that can deliver, are consistent, dependable, visible, proactive, and have a continuous hunger to improve all the time.

In the future, where do you see the logistics industry going as a whole? What role do you believe Damco plays in that?

The Australian market specifically, and the logistics industry in

general, is very competitive. This has been the case for many years and, quite honestly, I don't think this is going to change. To me, it's really about logistics companies continuing to improve on the service offering to their customers. I think Damco, globally and here in Australia, has the global coverage, technology, staff expertise, and service range to continuously improve our offerings to our customers and add value to them.

Australia's biggest challenges are the high cost of labour and the big geographical distances. Moving merchandise domestically, even from Sydney to Perth, is both time consuming and costly. The competitively priced solution will obviously be the winning solution, here and of course globally.

From my perspective, Damco is uniquely positioned. With our strong global presence, we are able to give our customers the absolute freedom of choice of country to source their products, and provide them with a robust, reliable, end-to-end logistics solution specifically catered to their needs. ●